

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
Proposing a Market Structure and Rules for the
Northern California Natural Gas Industry for the
Period Beginning January 1, 2003 as Required by
Commission Decision 01-09-016. (U 39 G).

Application 01-10-011
(Filed October 8, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING AND
NOTICE OF PREHEARING CONFERENCE**

Pacific Gas and Electric Company (PG&E) filed the above-captioned application on October 8, 2001 in response to Decision (D.) 01-09-016. PG&E's application requests that the Commission authorize the extension of the existing Gas Accord market structure and rates for a two year period in PG&E's service territory. The existing Gas Accord was approved by the Commission in D.97-08-055, and most of the provisions expire on January 1, 2003. Certain storage-related provisions of the Gas Accord continue through March 31, 2003.

Protests to the application were filed by Calpine Corporation, the Department of General Services of the State of California, and the Northern California Generation Coalition. Responses to the application were filed by the California Natural Gas Producers Association, the Office of Ratepayer Advocates, the City of Palo Alto, PanCanadian Energy Services, Inc., and jointly by Mirant Americas, Inc. and the California Cogeneration Council. PG&E filed reply comments, and supplemental reply comments.

Some of the protests and responses raised questions about how various issues of concern to some of the parties would be addressed by the two year extension of the Gas Accord. PG&E responded to these issues in its reply and supplemental reply comments. Since the parties protesting or responding to PG&E's application did not have an opportunity to react to PG&E's reply and supplemental reply comments, it is unclear whether PG&E's comments on how it plans to address the perceived outstanding issues satisfy the parties' concerns. Based on PG&E's reply and supplemental reply comments, PG&E's proposed inaction on a couple of issues may not satisfy one or more parties. Thus, a prehearing conference should be scheduled to discuss the procedural schedule for this application, and to discuss whether any issues need to be resolved by the Commission before it decides whether the Gas Accord for PG&E's service territory should be extended for a two year period.

A prehearing conference will be held on January 7, 2002 at 10:00 a.m. in San Francisco. Persons interested in the procedural schedule and the issues raised in the protests and responses shall file a prehearing conference statement on or before January 2, 2002. The prehearing conference statement should indicate whether PG&E's proposed resolution of the issues raised by the parties is agreeable to them, and if not, whether hearings or briefs are needed before the Commission decides whether to grant or deny the application. The prehearing conference statement should also contain a proposed schedule for addressing PG&E's application.

A copy of this ruling will be served on the service list in Investigation (I.) 99-07-003, PG&E, and on those parties who have filed protests and responses to PG&E's application. A new service list for this proceeding will be developed following the prehearing conference.

IT IS RULED that:

1. A prehearing conference will be held on January 7, 2002 at 10:00 a.m. at the State Office Building, 505 Van Ness Avenue, San Francisco.
2. Anyone interested in the issues raised in the protests and responses to Pacific Gas and Electric Company's (PG&E) application shall file a prehearing conference statement with the Docket Office on or before January 2, 2002, and ensure that the undersigned is served with a copy.
 - a. The prehearing conference statement should indicate whether PG&E's proposed resolution of the issues raised by the parties in their protests and responses to the application, is agreeable to them, and if not, whether hearings or briefs are needed before the Commission decides whether to grant or deny the application.
 - b. The prehearing conference statement should also contain a proposed schedule for addressing PG&E's application.
3. A copy of this ruling shall be served on the service list in I.99-07-003, PG&E, and on those parties who have filed protests and responses to PG&E's application.

Dated December 13, 2001, at San Francisco, California.

/s/ John S. Wong
John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling and Notice of Prehearing Conference on all parties of record in this proceeding or their attorneys of record.

Dated December 13, 2001, at San Francisco, California.

/s/ Antonina V. Swansen

Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.